

to any provider, although it has been requested pursuant to Section 251. Mr. Marzullo also argues that the MFS and CCT agreements do not contain provisions for unbundled local switching. Id. at 11-12.

In its brief, MCI argues that Ameritech must provide competing carriers all technically feasible transmission facilities, features, and functions. Ameritech MCI says, requires requesting carriers to purchase dedicated facilities, and then to make arrangements to share them, but refuses to make common transport available in any form, notwithstanding requests from both MCI and AT&T. Citing the testimony of AT&T witness Fonteix, MCI contends that Ameritech's refusal to do so is inconsistent with the requirements of the FCC Order. MCI Brief at 16-17 (citing AT&T Ex. 2.0 at 29). MCI further argues that, as Staff maintains, requiring carriers to purchase dedicated transport to provide end-to-end telecommunications service will result in inefficient utilization of the network. MCI Brief at 17 (citing Staff Ex. 4.02 at 9). MCI also argues in its brief that Ameritech is not currently providing unbundled local switching to any provider, and that Ameritech thus has failed to comply with the requirements of Section 271.

Sprint

In its brief, Sprint suggests it is undisputed that Ameritech Illinois does not provide unbundled local switching to any competing carrier. Sprint Brief at 12 (citing Ameritech Ex. 2.2, Schedule 1). Sprint states that it agrees with Staff witness Terkeurst that, as long as there are checklist items that are not being provided at all, then Ameritech has not met the requirements of § 271 and, derivatively, of the checklist. Sprint Brief at 12 (citing Tr. 1488-89).

Staff

Staff witness Jennings commented on three areas of Ameritech's ULS offering in its testimony. First, Staff testified that it agrees with Ameritech's position on payment of compensation between purchasers of ULS and other carriers in all but one respect: it disagrees with Ameritech proposed ULS service that requires carriers to pay any originating and/or terminating access charges to Ameritech. Staff Ex. 4.00 at 6. Staff reiterated this position in its rebuttal testimony, Staff Ex. 4.01 at 8; Staff Ex. 4.02 at 8-9, and in the live testimony phase of this proceeding. Tr. 1598-99.

Second, Mr. Jennings suggests that "common transport" is a network element and should be priced accordingly, although he is not aware of any carrier that has requested common transport as an unbundled network element in any of the arbitration proceedings. It is contended that requiring carriers to purchase dedicated transport to provide end-to-end telecommunications service will result in inefficient use of the network, as carriers will find it costly to purchase dedicated transport from an end office to other end offices; rather, they will purchase ULS and dedicated transport to an Ameritech tandem office, resulting in a situation where traffic that normally would be routed to an adjacent end office will be routed to an Ameritech tandem and then to the adjacent end office. In its supplemental rebuttal testimony, Staff contends that this could exhaust the capacity of the tandem. Staff Ex. 4.02 at 9-10.

In its brief, Staff reiterates these positions and states that Ameritech has a duty to provide ULS on an unbundled basis at any technically feasible point and on rates, terms, and conditions that are just, reasonable, and nondiscriminatory. Staff Brief at 75. Staff also observes that the FCC

defines the ULS element to include all vertical features, Centrex, switching, and any technically feasible customized routing functions. Staff Brief at 75 (citing First Report and Order, ¶ 412). According to Staff's calculations, no new LEC is currently purchasing ULS from Ameritech. The Staff therefore recommends that the Commission find that Ameritech Illinois does not meet the Section 271(c) requirements for this item.

Ameritech

Ameritech contends that it provides ULS in full compliance with its checklist obligations. It states that it makes ULS available under the Commission-approved terms and conditions of its interconnection agreement with AT&T, and has developed methods and procedures to provide ULS whenever ordered. Ameritech Ex. 2.2, Schedule 2, at 6; Tr. 667-71. In addition, it states that requesting carriers may obtain all ULS functions in a single element on a per-line basis, in full compliance with the FCC's regulations. Ameritech further testifies that it will provide any technically feasible custom routing arrangement on request. AJ Ex. 1.0 at 31-32.

Although they have not requested it, Ameritech also states that ULS is available to CCT, MFS, and TCG. Ameritech Ex. 2.2, Schedule 2, at 6; Tr. 891, 1020-21. It suggests that this is because, as a general proposition, carriers such as CCT, MFS, and TCG that install their own switches are not likely to have any need for ULS from Ameritech. Ameritech Ex. 1.1 at 7-9.

In response to the arguments of AT&T, CompTel, and Staff that the responsibility for billing carrier access charges has not been properly allocated between Ameritech and the ULS subscriber, Ameritech argues the following. It first notes that, with respect to intrastate carrier access charges, it will suppress local switching charges for intrastate originating traffic, and that no party opposed this aspect of its ULS offering. As to the issue of how to treat terminating access, Ameritech notes that it initially proposed not to bill the ULS subscriber for use of the switch to terminate the traffic, a proposal whereby Ameritech would incur the costs and collect the associated charges to the IXCs. Ameritech Ex. 1.1 at 51-52. In light of the fact that CompTel does not support this approach, however, Ameritech states that it is not opposed to conforming its treatment of originating and terminating access traffic. It notes, however, as Staff has acknowledged, that tracking and billing traffic terminating at the local switch presents operational difficulties. Thus, Ameritech suggests that the Commission should direct it and Staff to develop a methodology that would allow the ULS carrier to receive access charge compensation for terminating traffic. Ameritech notes that Staff has indicated that it is willing to assist in this effort.

With respect to interstate charges, CompTel and Staff oppose Ameritech's proposal to continue billing IXCs the interstate carrier common line charges ("CCL") and residual interconnection charge ("RIC"). Ameritech rejoins, however, that this issue falls solely within the province of the FCC. Whether, and under what circumstances, incumbent LECs would be allowed to continue to collect these "subsidy" rate elements in a ULS environment was a hotly contested issue before the FCC in Docket 96-98. In its First Report and Order, the FCC concluded that transitional billing of these interstate rate elements by the incumbent LECs would be permitted. First Report and Order, ¶¶ 718-20. Although this regulation and many others have been stayed by the Eighth Circuit, Ameritech rejects CompTel's argument that its decision to continue billing these rate elements to the IXCs is therefore improper, suggesting that only the FCC can make that determination. As to Staff's view that ULS subscribers are entitled to both interstate and intrastate

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access charges, Ameritech notes that Staff took the position in the Wholesale/Resale Order proceeding that this Commission did not have the authority to determine how interstate access charges would be treated, absent a delegation of authority from the FCC. Wholesale Order at 61. The FCC did not so delegate its authority; it preserved only the states' authority to address intrastate access charges. 47 C.F.R. § 51.515.

Regarding the argument of AT&T, CompTel, and Staff that the unbundled transport options offered by Ameritech for use in connection with ULS are incomplete, in that "common transport" is treated as a service (with service-based prices), rather than as an unbundled network element (with unbundled network element-based prices), Ameritech replies that this issue reduces to a dispute over pricing for the FCC. Ameritech suggests that the debate is over whether Ameritech should be required to offer an option of ULS combined with what the parties refer to as "common transport." In recognition of the fact that the use of end-to-end dedicated facilities might not always be economic for all carriers, Ameritech explains that it provides a hybrid option whereby ULS subscribers may combine a network element (ULS) with a service it offers (e.g., wholesale usage) that rides on the public switched network. Ameritech Ex. 1.1 at 56-57. Thus, it is argued that, notwithstanding CompTel's testimony, Ameritech is neither requiring ULS subscribers to use a "separately engineered, parallel, interoffice network" nor denying them use of the "same routing algorithms and interoffice facilities to complete local calls as Ameritech Illinois." CompTel Ex. 1.2 at 13-14. Thus, Ameritech says, the issue here is simply a debate over price.

Ameritech next contends that, while CompTel and several other IXC's have sought to characterize "common transport" as a network element, FCC regulations require only that Ameritech unbundle two types of interoffice transmission facilities: dedicated and shared, 47 C.F.R. § 51.319, both of which Ameritech provides. It thus suggests that the FCC will determine whether "common transport" is a network element when it reconsiders its First Report and Order. Section 251(d) of the Act vests in the FCC the authority to establish, in the first instance, regulations that define network elements and to determine which network elements must be provided to competing carriers.

Commission Conclusion

There are various problems with Ameritech's compliance with this checklist item. First and foremost, Ameritech's proposed ULS service should not require carriers to pay any originating and/or terminating access charges to Ameritech. Ameritech is simply not entitled to continue to collect interstate access charges since it is not providing access to the end user through unbundled local switching. Such collection directly contradicts the our Wholesale/Platform Order in Docket 95-0458.

Second, Ameritech states that it has developed methods and procedures to provide ULS when ordered. However, internal testing of ULS has just begun and Ameritech has not provided any evidence of the results of those tests. Consistent with our standard that with respect to a particular checklist item, all systems must be in place and there must be sufficient testing of the item so that this Commission can have a high level of confidence that said checklist item will function as expected. This is not yet the case with ULS at this time.

Furthermore, Ameritech's ULS offering does not include the customized routing of operator services and directory assistance ("OS/DA") which is required to be provided as part of unbundled local switching. The FCC's regulations provide that Ameritech is required to provide requesting carriers with "nondiscriminatory access" to "local switching capability," which includes "any technically feasible customized routing functions provided by the switch." 47 C.F.R. § 51.319. In its First Report and Order, the FCC stated (at ¶ 536) that incumbent LECs are required "to the extent technically feasible, to provide customized routing, which would include such routing to a competitor's operator services or directory assistance platform." Before Ameritech can be deemed to have met the checklist item for unbundled local switching, it must make available customized routing of the ULS-purchasing carrier's OS/DA traffic as a standard offering.

Accordingly, this checklist item has not been met.

7. 911, E911, and Operator Call Completion Services

Positions of the Parties and Staff

Checklist item (vii) requires Ameritech Illinois to provide nondiscriminatory access to: (I) 911 and E911 services; (II) directory assistance services to allow the other carrier's customers to obtain telephone numbers; and (III) operator call completion services.

Aside from the few issues discussed by Staff in its brief, nondiscriminatory access to 911, E911, and operator call completion services was basically not a contested issue in this proceeding. Staff maintains that the dispositive issue is whether Ameritech is actually furnishing nondiscriminatory access to 911, E911, and Operator Call Completion services. Staff Brief at 78. It notes that no party has suggested that Ameritech is making 911 and E911 services available in a nondiscriminatory manner, and recommends that the Commission find that the 911 and E911 agreement between CCT and Ameritech is nondiscriminatory. Staff also concedes that Ameritech is furnishing 911, E911, and directory assistance services to CCT. Staff asserts, however, that Ameritech Illinois is not furnishing, and therefore not "providing," operator call completion services to CCT. Staff Brief at 80 (citing Ameritech Ex. 2.2, Schedule 1, at 12-13). Since Section 271(c)(2)(B)(vii) separately enumerates 911, E911, directory assistance, and operator call completion services, Staff thus recommends that the Commission find that checklist item (vii) has not been met.

Ameritech argues that it satisfies the competitive checklist for this service by providing access to 911, E911, OS/DA, and operator call completion services to TCG, MFS, and CCT on a nondiscriminatory basis through its agreements with those parties. Ameritech witness Dunny testified that the Company is providing 911 and E911 services to CCT, MFS, and TCG; operator call completion to TCG; and directory assistance services to MFS. Ameritech Ex. 2.2, Schedule 1-2. In reply to Staff's contention that Ameritech is not providing operator call completion services to CCT, Ameritech reiterates its position that to provide means either to make available or to furnish. As Ameritech Illinois makes operator call completion services available to CCT, the Company urges the Commission to find that it has satisfied the requirements of the Act.

Commission Conclusion

We find that Ameritech satisfies the checklist requirements with respect to provision of nondiscriminatory access to 911, E911, and operator call completion services. The record evidence demonstrates that Ameritech is actually furnishing 911 and E911 services to CCT, MFS, and TCG; operator call completion services to TCG; and directory assistance services to MFS, pursuant to its interconnection agreements with those parties. No one argues that Ameritech is providing these services in a discriminatory manner. Although Staff notes that Ameritech is not actually furnishing operator call completion services to CCT, this item is available to CCT in a fashion that meets our standards for availability. Therefore, we find that Ameritech has satisfied this portion of the competitive checklist.

8. White Pages

Checklist item (viii) requires Ameritech Illinois to provide white pages directory listings for customers of the other carrier's telephone exchange service.

Positions of Parties and Staff

Although, in their direct testimony, AT&T and Sprint challenged Ameritech provision of white pages listings, only Staff continues to raise the issue. In its direct testimony, Staff witness Tate noted that Ameritech already provides white pages listings to other carriers via the parties' negotiated agreements. Staff Ex. 6.00 at 5. Mr. Tate further observed that the FCC has declined to include additional items such as White Page or Yellow Page directories, "customer guides," and Information Pages within the meaning of "directory assistance and directory listings" as used in Section 251(b)(3) of the Act. *Id.*

In its brief, Staff does not contest Ameritech position that customers of competing carriers will be provided with listings in Ameritech's white pages directories. Staff Brief at 81. Staff notes that CCT and MFS have not disputed the adequacy of Ameritech's white pages listings, and concurs with Ameritech's analysis that the FCC has not imposed any additional obligations on ILECs regarding access to directories. Staff accordingly recommends that the Commission find that the directory listings arrangement between Ameritech and CCT is nondiscriminatory. Staff Brief at 82. As to pricing, concerning which the Act is silent, Staff observes that competitive local service subscribers will receive one free listing for each directory that Ameritech publishes that covers the address of the subscriber. Where the non-Ameritech subscriber requests to be listed in a "foreign" directory (one outside its address area), Staff notes, Ameritech Illinois will charge a reasonable annual fee equal to that charged to its own customers. In summary, Staff recommends that the Commission find that Ameritech satisfies the checklist requirements of the Act for white page directory listings. Staff Brief at 84.

Ameritech contends that its provision of white pages satisfies the requirements of the checklist. The Company provides customers of competing carriers with one free listing in each directory that it publishes in that customer's service area, and this Commission and the FCC have both rejected the argument that ILECs should be required to offer other services, such as yellow page listings, information pages listings, and the distribution of directories. As the FCC explained in its Second Report and Order, ¶ 138-48, "the only requirement to be placed on LECs was the necessity of providing directory listings to competing providers in readily accessible magnetic tape

or electronic formats in a timely fashion upon request." This Commission likewise stated in the AT&T arbitration that Ameritech's provision of white pages access in fact "exceeds the minimum requirements of the Act and furthers its competitive goals" Dockets 96-AB-003 & 96-AB-004, Order at 27-28. Ameritech argues that there is no reason to revisit this issue and urges the Commission to reject any argument to expand the Act's requirements. Mr. Dunny provides additional reasons why Ameritech's position should prevail on this issue. Ameritech Ex. 2.1 at 33-36, 34-38.

Commission Conclusion

Both the FCC and this Commission have rejected the argument that Ameritech should be required to offer yellow page listings, information pages listings, and the distribution of directories. Indeed, we ruled in the AT&T arbitration that Ameritech's provision of white pages access exceeded the minimum requirements of the Act, Dockets 96-AB-003 & 96-AB-004, Order at 27-28, and the FCC has made clear that an ILEC's obligations in this area do not extend beyond providing directory listings to competing providers. Second Report and Order, ¶¶ 138-48. As there is no reason to revisit this issue, we find that Ameritech Illinois has fully satisfied the checklist requirements for white pages listings.

9. Numbering Administration

Checklist item (ix) requires Ameritech Illinois to provide, until the date by which telecommunications numbering administration guidelines, plan, or rules are established, nondiscriminatory access to telephone numbers for assignment to the other carrier's telephone exchange customers and, after that date, compliance with such guidelines, plan, or rules.

Positions of Staff and Ameritech

No party to this proceeding has disputed that Ameritech's provision of numbering administration complies with the checklist requirements, and in its brief Staff expresses agreement with Ameritech's position that: (1) until new numbering administration guidelines are established, Ameritech will continue to assign central office codes under existing industry guidelines and regulatory rules, under the oversight and complaint jurisdiction of the FCC and this Commission; (2) in the meantime, Ameritech continues to make reasonable efforts to transfer its number administration responsibilities to a neutral third party; and (3) Ameritech provides nondiscriminatory access to telephone numbers for assignment to other carriers' telephone exchange service customers in accordance with current Central Office Code (NXX) Assignment Guidelines and the current NPA Relief Planning Guidelines. Staff further explains that, since Ameritech does not charge for telephone number assignments and no party has alleged discriminatory treatment in receiving them, the Commission need not address the issue of discrimination. Staff concludes that the evidence of record supports a finding that Ameritech is providing checklist item (ix) to CCT, as well as numerous other carriers in Illinois, in accordance with the requirements of the Act.

Ameritech contends in its testimony and brief that it has complied fully with the requirements of Section 271(c)(2)(B)(ix) regarding access to telephone numbers. The Company notes that no party has contested this issue, and that Staff concurs with its position. Ameritech Ex. 2.0 at 74-75; Ameritech Ex. 2.1 at 38; Ameritech Ex 2.2, Schedule 1, at 14. Thus, Ameritech urges

the Commission to find that it has satisfied the requirements of the Act.

Commission Conclusion

The Commission finds that Ameritech satisfies this checklist item.

10. Databases and Associated Signaling

Checklist item (x) requires Ameritech Illinois to provide nondiscriminatory access to databases and associated signaling necessary for call routing and completion

Positions of Parties and Staff

Although, in earlier phases of this proceeding, AT&T and MFS submitted testimony regarding databases and associated signaling, only Staff and TCG address the subject in their briefs. Accordingly, our discussion will focus on the issues TCG and Staff raise.

TCG

In its brief, TCG complains that Ameritech is not satisfying the requirements for provisioning AIN services because Ameritech has failed to develop written procedures and benchmarks for provisioning such services and for developing ordering interfaces for such services. TCG Brief at 4. TCG states that Ameritech has excessive discretion to determine the manner in which it will fulfill its AIN provisioning obligations.

Staff

Staff has not contested the scope of Ameritech's signaling networks and call related databases, which includes line information database (LIDB), toll free calling database, advanced intelligence network (AIN), and databases used for call routing and completion, as required by 47 C.F.R. § 51.319(e). Staff Brief at 86. Rather, Staff maintains that, while Ameritech's agreements with MFS and TCG address access to signaling and call-related databases, the CCT agreement does not. Staff acknowledges that Ameritech nonetheless provides such access to CCT, but argues that Ameritech has not satisfied the checklist because CCT's access is not provided pursuant to the terms of a Section 252 agreement.

Ameritech contends that it fully complies with the Act's requirements and the FCC's rules governing provision of access to its databases and associated signaling necessary for call routing and completion. The Company points out that it is currently making available and furnishing access to databases and signaling to CCT, MFS, and TCG under its interconnection agreements with those carriers. Ameritech Ex. 2.2, Schedule 2, at 10. As Staff notes, the scope of Ameritech's provision of signaling networks and call related databases is not at issue; all that is contested is whether CCT is receiving them pursuant to an arbitrated agreement. Regarding Staff's contention that the necessary provisions are not in the CCT agreement, Ameritech rejoins by reiterating its position that CCT is entitled, pursuant to the MFN clause in its agreement with Ameritech, to the benefit of the arbitrated provisions of the AT&T Agreement.

Concerning TCG's claim that Ameritech has failed to develop written procedures and

benchmarks for provisioning AIN services and for developing ordering interfaces for such services. Ameritech answers that its process for provisioning AIN to competing carriers is comparable to the manual process that Ameritech uses to provide AIN services for its own, retail customers. Ameritech also responds to TCG's concern that it has excess discretion in its provisioning of AIN by a flexibility of AIN technology, which must be customized to the network architectures and switching configurations of the requesting carrier. Ameritech's manual ordering process permits such customization, to the benefit of all competing carriers.

Commission Conclusion

The Commission finds that Ameritech complies with the Act's requirements and the FCC regulations pertaining to provision of access to its databases and associated signaling necessary for call routing and completion. It provides access to its signaling network, call-related databases, and service management systems through its Signal Transfer Points, in the same manner and via the same signaling link functionality used by Ameritech itself. Ameritech currently is making available and furnishing access to databases and signaling to CCT, MFS, and TCG pursuant to interconnection agreements with those carriers. No party contests the sufficiency of this access. Regarding Staff's concern that CCT is not being provided access to signaling and call related databases pursuant to an arbitrated agreement, we reject that argument on the ground that CCT has access, through the MFN clause in its agreement, to the same databases and signaling networks, and on the same terms and conditions, that AT&T is entitled to under its arbitrated agreement with Ameritech. Respecting TCG's concern that Ameritech has excessive discretion in the provisioning of AIN, we agree with Ameritech Illinois that the need for customization of AIN to the network architectures and switching configurations of the requesting carrier is consistent with the use of a manual ordering process.

11. Number Portability

Checklist item (xi) requires Ameritech Illinois to provide, until the date by which the FCC issues regulations pursuant to Section 251 to require number portability, interim telecommunications number portability through remote call forwarding, direct inward dialing trunks, or other comparable arrangements, with as little impairment of functioning, quality, reliability, and convenience as possible. After that date, Ameritech Illinois must fully comply with such regulations

Positions of Parties and Staff

AT&T

AT&T witness Judith Evans testified that, while Ameritech is required to fully implement permanent number portability ("PNP") in the entire Chicago MSA, MSA 1, by December 31, 1997, it is not required to make PNP available on a statewide basis outside of the Chicago area until at least June 1, 1999. (Evans Direct, AT&T Ex. 8.0 at 10). Therefore, the availability of effective interim number portability arrangements have become even more critical, and particularly important to carriers, given the uncertainty which has arisen as to whether the PNP date in MSA 1 will be met (AT&T Ex. 8.0 at. 11-12).

AT&T contends that Ameritech has failed to meet its number portability obligations by

its refusal to provide route indexing as an interim number portability option, notwithstanding the fact that route indexing is technically feasible and has been voluntarily provided by at least three other RBOCs. AT&T notes that the effect of Ameritech's position is clearly anticompetitive because the practical effect of denying route indexing as an interim number portability option essentially eliminates AT&T's ability to offer medium and large business customers the same service and functionality that Ameritech can offer them.

Ms. Evans testified that while the methods Ameritech currently offers are adequate for AT&T's smaller customers, they inefficient, are too expensive or lack the functionality necessary to serve other carriers' medium to large business customers. Route Indexing-Portability Hub ("RI-PH") is the best and most efficient interim number portability solution that will satisfy carrier's technical requirements for serving its medium to large business customers at a level of service they require from the carrier. (AT&T Ex. 8.0 at. 14-15, 17). By not offering RI-PH, Ameritech may fend off competition for the local business of these large business customers.

Furthermore, while Local Exchange Routing Guide ("LERG") reassignment is the best interim solution for serving carrier's largest business customers (a solution Ameritech has agreed to offer), the effectiveness of LERG reassignment is dependent upon the ability to use RI-PH as a transitional method while the LERG is undergoing reassignment throughout the industry. Therefore, Ameritech's unwillingness to provide RI-PH at least as a transitional method effectively denies carriers the ability to take advantage of LERG Reassignment, and effectively denies carriers the opportunity to serve yet another competitively significant customer segment -- the very large national business customer. (AT&T Ex. 8.0 at. 22-23, 28).

Staff

Staff notes that Ameritech currently is providing transitional number portability, pursuant to state tariffs it has filed with the Commission, through remote call forwarding (RCF) and direct inward dialing (DID) technology, which the FCC approved in its Telephone Number Portability First Order, CC No. 95-116 ("Portability Order"). Staff proposes that Ameritech also should provide LERG Reassignment as an interim number portability option. Staff Ex. 6.0 at 9-10.

In its brief, Staff notes that Ameritech Illinois' agreements with CCT, MFS, and TCG address the provisioning of INP, and that the Commission has approved Location Routing Number ("LRN") as the PNP solution in the Chicago MSA, with full implementation expected by the beginning of the fourth quarter of 1997. Staff Brief at 88. It further argues that, given that PNP will not take effect until late 1997, it is important that any INP method be technically feasible now, available now, not overly costly, and able to port numbers with a minimum loss of functionality. Although Ameritech suggests that RCF and DID both satisfy federal law and meet the needs of the industry, Staff has in prior arbitrations recommended that Ameritech offer NXX migration (LERG Reassignment), and Ameritech has agreed to add this option. According to Staff, the record shows that Ameritech currently provides INP to MFS through RCF and DID. Ameritech's agreement with MFS allows INP through NXX migration, but the agreements with CCT and TCG do not provide for NXX migration. Staff suggests true number portability is not yet available, and recommends that the Commission decline to determine whether Ameritech will be in full compliance with the FCC's prospective regulations. Staff Brief at 89. As to the issue of INP, however, Staff notes that the CCT agreement provides for competitively neutral cost recovery and that the MFS and TCG rates for INP have been suspended pending approval of a competitively

neutral cost recovery mechanism. Accordingly, Staff urges that the Commission find that Ameritech has met the checklist requirements for number portability at this time.

Ameritech

Ameritech testified that it currently provides interim number portability in a manner consistent with the requirements of Section 271(c)(2)(B)(x), and suggests there is no serious question that it is in compliance with this Checklist item. Ameritech Ex. 2.1 at 39; Ameritech Ex. 2.2, Schedule 1, at 14.

In response to AT&T's suggestion that Ameritech will later be reluctant to provide PNP, Ameritech contends that its future compliance with that requirement is irrelevant here and can only be addressed in the unlikely event that such a problem arises. § 271(c)(2)(B)(xi). It is suggested that AT&T's testimony on this issue "clearly demonstrates how far AT&T is willing to go to invent issues in this proceeding, whether or not they have any merit." Ameritech Ex. 2.1 at 40. Ameritech's national leadership in number portability is evidenced by the FCC's decision to perform a number portability field test in Chicago, and AT&T witness Evans and AT&T representative Dan Noorani "have repeatedly expressed their satisfaction with the progress of number portability in Illinois." Ameritech Ex. 2.1 at 40.

As to AT&T's contention that Ameritech must provide RI-PH as an interim number portability option, Ameritech notes that the Commission has twice rejected this proposal — in the Customers First order and again in the AT&T arbitration. Dockets 94-0096 (et al. (cons.)), Order at 110-11; Dockets 96-AB-003/96-004, Order at 25-26. Ameritech urges the Commission to reject AT&T's proposal again, on the basis that RI-PH is an intermediate-term solution, the implementation of which would divert resources from developing a long-term solution. It also suggests that AT&T has exaggerated the significance of earlier investigations of RI-PH, the technical feasibility of which has not been demonstrated. Ameritech Ex. 2.1 at 42-45. As the Commission stated in the AT&T arbitration, "[t]he likelihood is that RI-PH would be obsolete before it was ever needed." Dockets 96-AB-003 & 96-AB-004, Order at 25.

Regarding Staff's suggestion that Ameritech should provide LERG Reassignment, Ameritech testified that it supports LERG Reassignment when an entire NXX belongs to a single customer, or when a substantial portion of an NXX belongs to a single customer and the remainder is reserved or otherwise unused. Ameritech Ex. 2.1 at 42. Accordingly, Ameritech Illinois urges the Commission to find, as Staff recommends, that it satisfies the checklist requirements for this item.

Commission Conclusion

The Commission finds that Ameritech currently provides interim number portability in a manner consistent with the requirements of Section 271(c)(2)(B)(x). With respect to interim number portability, we stand by our prior decisions not to require Ameritech to provide RI-PH as an INP option. Docket Nos. 94-0096 (et al. (cons.)), Order at 110-11; Dockets 96-AB-003/96-004, Order at 25-26. We also find reasonable the limitations that Ameritech Illinois places on its LERG Reassignment offering. As to AT&T's concerns that Ameritech may prove reluctant to provide permanent number portability are unsupported and premature. The Commission will not assume that Ameritech will evade its legal obligations.

12. Dialing Parity

Checklist item (xii) requires Ameritech Illinois to provide nondiscriminatory access to such services or information as are necessary to allow the requesting carrier to implement local dialing parity in accordance with the requirements of Section 251(b)(3).

Positions of the Parties and the Staff

CompTel

CompTel introduced testimony that competing carriers must be able to "presubscribe" the local operator (0-) and directory (411) dialing patterns to operator and director systems of its choice. CompTel Ex. 1.0 at 20-21. CompTel witness Gillan suggested that Ameritech has indicated that dialing parity may not be technically feasible, but argued that Ameritech must solicit and obtain the necessary software to comply with the Act's dialing parity requirements. CompTel Ex. 1.0 at 21.

Staff

In its direct testimony, Staff explained that MFS customers who have subscribed to local exchange service from MFS can make a local call to a local customer of Ameritech Illinois within the same local calling area without dialing any extra digits or codes. Staff witness Tate further stated that Ameritech's modified intraLATA toll tariff, which became effective on August 5, 1995, complies with both the Commission's Customers First Order and the IntraLATA Toll Dialing Parity Rule.

In his rebuttal testimony, however, Staff witness Gasparin testified concerning access to 411 and 611 dialing. Mr. Gasparin noted that the FCC's Second Report and Order in Docket No. 96-98 states, at paragraph 22, that:

With dialing parity, a telephone customer can preselect any provider of telephone exchange service or telephone toll service without having to dial extra digits to route a call to that carrier's network.

Thus, Mr. Gasparin concluded, if Ameritech provides "abbreviated" dialing for access to its directory assistance, repair services, or other, similar services, it must provide parity to competing carriers. Staff Ex. 3.01 at 5. While Mr. Gasparin could not provide a definitive solution to the problem, he suggested that Ameritech conceivably could offer parity for abbreviated dialing via line class codes, utilization of AIN, or by developing other software/ hardware solutions. He noted that Ameritech could also meet its parity obligations in this context by eliminating its 411 and 611 dialing programs, although he stated that consumer familiarity with those programs counseled against that option, except as a last resort. As to the feasibility of line class codes, he recommended that the Commission direct Ameritech to test them and opined that the Company should be able to demonstrate whether they are feasible. Staff Ex. 3.01 at 4-7.

In its brief, Staff expresses disagreement with Ameritech's position that it has satisfied the checklist requirements for dialing parity. Staff suggests that customers of competing carriers

should be able to dial the exact same number of digits for the services described in Section 251(b)(3), which, it contends, includes all services. It is insufficient, argues Staff, for Ameritech Illinois to "warm transfer" calls in order to satisfy the dialing parity requirements. Staff Brief at 64.

While Staff acknowledges that the Commission found it sufficient for Ameritech to warm transfer calls in Consolidated Docket 95-0458, it maintains that the issues in that docket centered around the technical feasibility of the custom routing of 611 service, and whether 611 service should be resold, not around the issue of dialing parity. Until Ameritech either implements a technical solution that allows resellers' end users to dial 611 and reach the reseller or, alternatively, expands the 611 service repair number to ten digits, Staff recommends that the Commission find that the Company has not complied with checklist item (xii).

Ameritech

Ameritech argues that it is both making available and furnishing local dialing parity by providing nondiscriminatory access to services and information that permit requesting carriers to implement dialing parity in accordance with Section 251(b)(3) of the Act. According to Ameritech, Section 251(b)(3) requires all LECs to provide dialing parity to competing providers of local service and imposes on LECs the duty to provide nondiscriminatory access to telephone numbers, operator services, directory assistance, and directory listings with no unreasonable delay. Ameritech Illinois witness Dunny testified that Ameritech furnishes the components of dialing parity in the form of number portability and nondiscriminatory access to TCG, MFS, MFS, and CCT pursuant to interconnection agreements with each carrier. Ameritech Ex. 2.2, Schedule 2, at 12. As a result of these agreements, Ameritech Illinois contends, customers of other local exchange carriers and Ameritech are able to dial each other using the same 7-digit/11-digit dialing patterns that apply to calls between customers who subscribe to service from the same carrier. AI Ex. 2.0 at 65. Ameritech also points out that it has been furnishing 2-PIC presubscription for toll calls since April 7, 1996.

With regard to Staff's position that, if Ameritech utilizes abbreviated dialing patterns for repair services, then it must provide comparable dialing patterns to other carriers, Ameritech Illinois rejoins that Staff's position is inconsistent with Section 251(b)(3), which provides (emphasis added):

DIALING PARITY - The duty to provide dialing parity to competing providers of telephone exchange service and telephone toll service, and the duty to permit all such providers to have nondiscriminatory access to telephone numbers, operator services, directory assistance, and directory listings, with no unreasonable dialing delays.

Ameritech contends that neither this provision nor the FCC regulations obligate it to provide dialing parity for repair service calls. Such calls are administrative in nature and beyond the scope of Section 251(b)(3). The FCC's Second Report and Order does not define dialing parity in terms of NII dialing patterns. Moreover, it is argued, no party contests the fact that customers of competing carriers do have access to directory assistance or repair services using precisely the same dialing patterns utilized by Ameritech customers. For example, the customers of a reseller or carrier purchasing unbundled local switching can dial 411 to reach Ameritech directory assistance. Similarly, assuming that a facilities-based carrier chooses to program its switch to accept 411 calls,

customers of that carrier can also dial 411 to reach that carrier's directory assistance platform or that of another provider. Ameritech Ex. 2.2 at 9-10. Alternatively, Ameritech notes, the carrier either can use these same dialing patterns to access directory assistance services provided by that carrier, or request selective routing of directory assistance calls from Ameritech Illinois. Ameritech Ex. 2.2 at 10; Ameritech. Ex. 5.1 at 11-13.

Ameritech also testifies that it offers dialing parity with respect to repair service calls, although it again maintains that these calls are beyond the scope of the description of dialing parity under Section 251(b)(3). As an example, Ameritech Illinois explains that when a reseller's end user customer dials 611, that customer is provided the appropriate repair number for the reseller and "warm transferred" to the reseller's repair bureau, as required by the Illinois Wholesale Order in Docket 95-0458/0531, at 54-55. And, as with 411 calls, a customer of a carrier utilizing its own switch can dial 611 to reach that carrier's repair service, provided that the carrier chooses to program its switch to accept 611 calls. It is therefore argued that Staff's concerns are unfounded, even assuming that Ameritech Illinois has an obligation to provide dialing parity for such calls under the Act and the competitive checklist.

With respect to CompTel's contention that Ameritech is not providing dialing parity because carriers cannot "presubscribe" to the local operator/directory assistance service of another provider, Ameritech rejoins that CompTel's position is unsupported by the FCC's Second Report and Order, which does not require that presubscription be extended to 411 or 0- dialing calls. Moreover, Ameritech argues, this Commission's rules specifically exempt 411 and 0- calling — as well as 611 calls — from any presubscription obligation. 83 Ill. Adm. Code 773.120(c).

Finally, Ameritech notes that the Commission addressed dialing parity issues in the Sprint arbitration. The Commission approved Ameritech Illinois' proposal to provide access to 411/611 numbers, including the use of warm transfers. Sprint Arbitration Decision, Docket 96-AB-111, at 18-20. As its position in this proceeding matches that approved in the Sprint arbitration, Ameritech Illinois contends that there is no reason to revisit the issue and that it should be found to have satisfied the Act and the competitive checklist.

Commission Conclusion

The FCC specifically requires dialing parity for 611 calls. In CC Docket No. 92-105, released February 19, 1997, the FCC stated that "(w)ith multiple LECs in the local market, access to these codes [411 and 611] for repair and business office uses by only one facilities-based carrier serving that market would be anti-competitive." In order for Ameritech to meet the dialing parity requirement for 611 service, Ameritech should either implement a technical solution to allow resellers' end users to dial 611 and reach the reseller or alternatively, expand the 611 service repair number to ten digits, the same number of digits a reseller would use for its service repair center. Until this occurs, Ameritech is not in compliance with checklist item (xii).

But for dialing parity with respect to 611 calls, the Commission is of the opinion that Ameritech Illinois is both making available and furnishing local dialing parity by providing nondiscriminatory access to services and information that permit requesting carriers to implement dialing parity in accordance with Section 251(b)(3) of the Act.

CompTel's argument that Ameritech Illinois is not providing dialing parity because carriers cannot "presubscribe" to the local operator/directory assistance service of another provider is unsupported by the FCC's Second Report and Order, which does not require that presubscription be extended to 411 or 0- dialing calls. Moreover, as Ameritech Illinois observes, this Commission's rules specifically exempt 411 and 0- calling — as well as 611 calls — from any presubscription obligation. 83 Ill. Admin. Code § 773.120(c).

13. Reciprocal Compensation

Checklist item (xiii) requires Ameritech Illinois to provide reciprocal compensation arrangements in accordance with the requirements of Section 252(d). 47 U.S.C. §271(c)(2)(B)(xiii).

Positions of Parties and Staff

Although several parties addressed reciprocal compensation in their testimony, only MCI and Staff raise reciprocal compensation issues in their briefs.

MCI

In its brief, MCI contends that the disparity between the rates for reciprocal compensation found in the various negotiated and arbitrated agreements suggests that not all of them are cost-based and therefore that Ameritech fails to meet the pricing requirements of the checklist. MCI Brief at 19-20 (citing Staff Ex. 4.00 at 17; Tr. 325-26 (Gebhardt)). MCI further suggests that Ameritech's reciprocal compensation arrangements do not comply with the checklist because they provide that carriers will be compensated at the end office rate, rather than the higher, tandem rate required by the FCC. MCI Brief at 20 (citing AT&T Ex. 6.0 at 12; FCC Order, ¶ 1090).

Staff

In prefiled testimony, Staff recommended that the Commission use the same pricing methodology for reciprocal compensation that Staff proposed for interconnection and network elements. Staff witness Jennings testified that the reciprocal compensation rate of \$0.009 per minute contained in the CCT agreement is not consistent with Section 252(d). Staff Ex. 4.00 at 17-18.

In its brief, Staff emphasizes that the pricing methodology it proposed for interconnection and network elements is consistent with the Commission's prior Order in Docket 94-0096 et al., Consol. ("Customers First Order"), where a rate of \$0.005 per minute was set for local termination of telecommunications traffic at end offices. Staff Brief at 96. Because the CCT agreement contains prices that do not accord with those prices, or Staff's view of Section 252(d)'s requirements, Staff recommends that the Commission find that Ameritech Illinois is not in compliance with checklist item (xiii). Staff Brief at 97.

Ameritech

Ameritech argues that Section 271(c)(2)(B)(xiii) requires it to provide billing arrangements through which two carriers recover their costs incurred in transporting and terminating local calls that originate on each other's network in accordance with the pricing standards of Section 252(d)(2). Ameritech notes that it has entered into interconnection agreements with MFS, TCG, and CCT that provide for the exchange of local traffic and compensation for that traffic. It contends that, given that traffic is already being exchanged between the companies today, reciprocal compensation is already being furnished. As there are no disputed issues concerning Ameritech's provision of reciprocal compensation arrangements in this proceeding, Ameritech Illinois therefore asserts that it has satisfied this element of the competitive checklist.

With respect to pricing, Ameritech asserts that reciprocal compensation rates that the Commission has found to comply with Section 252(d) are available to MFS and CCT pursuant to the MFN clauses in their agreements.

Commission Conclusion

Under Section 271(c)(2)(B)(xiii), Ameritech is required to provide billing arrangements through which two carriers recover their costs incurred in transporting and terminating local calls that originate on each other's network in accordance with the pricing standards of Section 252(d)(2). Ameritech has entered into interconnection agreements with MFS, TCG, and CCT that provide for the exchange of local traffic and compensation for that traffic. Traffic already is being exchanged between the companies today, thus, reciprocal compensation is already being furnished. Rates complying with Section 252(d) are available pursuant to MFN clauses. The Commission finds that Ameritech's provision of reciprocal compensation arrangements satisfies this element of the competitive checklist.

14. Resale, Including Stripping and Branding of Operator Services and Directory Assistance

Checklist item (xiv) requires Ameritech Illinois to provide that telecommunications services are available for resale in accordance with the requirements of Sections 251(c)(4) and 252(d)(3).

Access Network Services

In its brief, Access argues that Ameritech's resale pricing purportedly disadvantages resellers, such as Access, that desire to target high volume customers. As to Ameritech's "re-revised" tariff filings, issued on November 19, 1996, Access admits that they made the wholesale volume discount roughly comparable to the volume discount in Ameritech's retail tariff, but suggests that Ameritech left other objectionable discounts intact. Specifically, Access asserts that, the average effective discount level under Ameritech's wholesale tariff is 17.5%, but the discounts for certain service elements critical for use in serving high volume customers are substantially lower than that figure. For example, Access maintains that the discount for DID trunk terminations that large PBX customers use is only 7.3%, an amount that it alleges is too low for competitors to

offer that service except at a loss. Access further contends that Ameritech Illinois has refused to consider its requests for additional discounts. Access suggests that Ameritech's pricing policies therefore do not satisfy the Act. Access Brief at 5-6.

AT&T

AT&T suggests that Ameritech's resale offering is inadequate because it does not offer Service Transport Facilities ("STF") on a wholesale basis, such that resellers must purchase them a "pair at a time." AT&T Ex. 2.0 at 34. AT&T also maintains that Ameritech fails to provide resellers with adequate notice of new services. AT&T further objects to Ameritech's requirement that it make a special request if it wishes to combine Ameritech's unbundled local switching element with its own operator services or directory assistance. AT&T Ex. 5.0 at 32.

In its brief, AT&T contends that Ameritech wrongfully refuses (1) to provide customized routing of AT&T's customers' DA and OS calls to AT&T's DA and OS platforms in a resale environment and (2) to offer the unbundled network platform without OS and DA as a standard offering, except pursuant to the BFR process. Under the governing FCC rule, Ameritech must combine unbundled network elements in any manner that is technically feasible and would not impair other carriers' ability to obtain access to UNEs or to interconnect. 47 C.F.R. § 51.315(c). AT&T suggests that the provision of unbundled access to OS/DA satisfies these conditions in an unbundled network platform environment and a resale environment.

CompTel

Like AT&T, CompTel maintains in its direct testimony that the Act and federal rules contemplate that new providers of local service must have access to customized or selective routing of all categories of traffic. CompTel Ex. 1.0 at 21. Its witness Gillan maintains that it is impossible to tell from Ameritech's testimony, which indicates that new software may be necessary to satisfy this requirement, whether Ameritech Illinois intends to comply. CompTel Ex. 1.0 at 21.

MCI

In its brief, MCI contends that Ameritech cannot satisfy the FCC requirement that it provide nondiscriminatory access to OS/DA because the record shows that Ameritech cannot unbundle its operator services and directory assistance from its total resale offering to enable a reseller to route its OS/DA traffic to itself, to a third party, or to Ameritech.. MCI Brief at 18 (citing FCC's Second Report and Order, ¶ 101).

As to Ameritech's resale offering generally, MCI argues in its brief that the negotiated contracts merely reference the applicable tariffs, which fail to comply with the requirements of the Commission's Wholesale Order. MCI Brief at 21 (citing Staff Ex. 4.02 at 5; Tr. 1592-95). Citing the testimony of Staff witness Jennings, MCI suggests that Ameritech's resale tariff fails to provide the required treatment of branding and unbundling of OS/DA from wholesale services. MCI Brief at 21 (citing Staff Ex. 4.02 at 6-8).

Staff

In the direct phase of this proceeding, Staff testified that it disagrees with Ameritech's position that its resale tariff complies with Section 251(c)(4) and the FCC's Order. However, during the rebuttal phase, Staff witness Jennings offered further testimony and suggested four areas where the November 20 tariff did not comply with the Commission's Resale Order: (a) branding and unbundling of operator and directory assistance from wholesale services; (b) Mirroring of Retail Tariff for term commitments of Priority and Priority Plus rate elements; (c) PBX and Centrex trunks; and the fact that Busy Line Verify and Busy Line Interrupt were excluded. Staff Ex. 4.02 at 5. On cross examination, He further testified that Ameritech had updated its resale tariff regarding the sections governing priority and priority-plus, PBX-Centrex, key line, busy line, and busy line interrupt. He further testified that those revisions were consistent with the Commission's Resale Order. Tr. 1592-93.

Staff delineates at length the statutory and regulatory provisions governing Ameritech's resale offering. Staff Brief at 97-98. It proposes that the Commission's Resale Order is consistent with Section 252(d)(3), observing that the Commission specifically addressed the issue of wholesale pricing in the Resale Order. Staff also notes that the FCC approvingly mentioned the Commission's TSLRIC cost studies in its Order. Staff Brief at 100 (citing FCC Order, ¶ 915). It is also noted that the CCT, MFS, and TCG agreements allow resale of services obtained at wholesale rates. Ameritech Illinois is furnishing wholesale services to MFS, but not to CCT or TCG. Staff Brief at 101 (citing Ameritech Ex. 2.2, Schedule 1, at 19). CCT has one resale customer, to which it provides resold Centrex. Because Ameritech is not furnishing wholesale services to CCT, Staff recommends that the Commission find that Ameritech is not complying with the Section 271(c) requirements for its resale offering.

Ameritech

Ameritech witness Gebhardt testified that all of its telecommunications services that are available at retail are also available for resale at wholesale rates to competing carriers. Ameritech Ex. 2.0 at 46-47.

Ameritech argues that its wholesale/resale offerings comply with this Commission's Wholesale Order in Docket No. 95-0458/0531, with Sections 251(c)(4) and 252(d)(B), and, therefore, with the competitive checklist. Section 251(c)(4) imposes upon Ameritech a duty to make available for resale at wholesale rates any telecommunications services that it makes available to its own customers and to do so on a nondiscriminatory basis, and Section 252(d)(3) provides that the Commission shall determine wholesale rates on the basis of retail rates charged to the subscriber less avoided costs. In the Wholesale Order in Docket 95-0458/0531, we comprehensively addressed" the pricing requirement under Section 252(d)(3) and adopted a pricing methodology. MCI Arbitration Decision, Docket 96-AB-006, at 45; First Report and Order, ¶¶ 878-935. Ameritech notes that the FCC subsequently found that the Commission's methodology conformed with the Act. Thus, Ameritech takes the position that, to the extent that it has complied with the mandate of the Wholesale Order, it also has complied with Section 252(d)(4) and the competitive checklist. Section 271(c)(2)(B)(xiv). Ameritech has filed tariffs in conformity with the Wholesale Order in ICC No. (for competitive services) and in ICC No. 20 (for noncompetitive services). Moreover, Ameritech Illinois argues that it is currently furnishing resold service at

wholesale rates to MFS, pursuant to the parties' interconnection agreement, and that such services are available for purchase pursuant to the tariffs cited above. Thus, Ameritech urges the Commission to find that it has satisfied this element of the checklist.

Concerning Access' complaint that Ameritech is hampering competition by reselling services at a wholesale discount level that averages 17.5% overall and 7.3% for trunk terminations, Ameritech answers that Access has provided no legal basis for disputing the level of the discount. Access does not allege that Ameritech Illinois has miscalculated the avoided costs of offering wholesale services generally or of offering DID trunks in particular. Nor has Access proffered any evidence to support its claim that competition will be inhibited by legally prescribed discount levels. With respect to Access' complaint that Ameritech has refused to negotiate further discounts, the Company responds that there is no legal or factual basis for that claim.

Regarding AT&T's contention that Ameritech's retail/wholesale offering is inadequate because it does not offer service transport facilities ("STF") on a wholesale basis, Ameritech notes that it has revised its retail tariff to include STF services on a wholesale basis. Ameritech Ex. 1.1 at 42. With respect to AT&T's complaint that Ameritech fails to provide resellers with adequate notice of new services, Ameritech notes that it has agreed to a 45-day advance notice provision with AT&T and to make advance notice available to other resellers as well. Ameritech Ex. 1.1 at 45. Thus, the Company contends that it has satisfactorily addressed these issues.

With respect to the issue of selective routing of OS/DA traffic, Ameritech states that it will provide selective routing through the use of line class codes. The Company asserts, however, that it takes far fewer line class codes (as few as one) to provision selective routing in the ULS context than to provision selective routing in the resale context. As a result of AT&T's BFR requesting selective routing, Ameritech Illinois has determined that selective routing, when requested in the context of ULS, is technically feasible in existing Ameritech switches. Thus, Ameritech no longer will require purchasers of ULS that request selective routing of OS/DA traffic to their own OS/DA platform (or the platform of another provider) to submit a BFR when such requests are "normal" in scope and require no more than 25 line class codes to fulfill; such selective routing will be offered on a standard tariff basis. Under this proposed arrangement, Ameritech will unbundle and custom route OS/DA traffic to specified trunk ports for the purpose of either (1) routing the traffic to the OS/DA platform of another provider or (2) routing traffic over separate trunks to the Ameritech Illinois OS/DA platform so that the traffic can be unbranded or rebranded with the name of the requesting carrier. Ameritech Illinois suggests that this should address AT&T's concern that its major market entry strategy will involve the purchase of network elements/ULS in conjunction with selective routing to AT&T's OS/DA platform.

However, with respect to AT&T's position that Ameritech should be required to provide selective routing of OS/DA in a resale environment, Ameritech contends that the uncontroverted record evidence establishes that 400 to 700 line class codes are required per carrier/per switch when a carrier wishes to resell Ameritech's services in conjunction with the selective routing of OS/DA traffic to a separate platform. In Ameritech's view, AT&T's position is based on speculation that Ameritech will not need to replicate all line class codes used by all customers in a resale environment, because resellers will request to sell less than all of Ameritech's services. Ameritech suggests that this claim, in addition to being unsupported, contradicts AT&T's testimony that it intends to offer every service that Ameritech offers (AT&T Ex. Supp. 3.2, p. 2 of 1-7-97 letter). Because Ameritech requires 400 to 700 line class codes per switch in the context of selective

routing and resale, however, Ameritech faces a very real possibility of exhausting the available line class codes in any given switch. It is urged that this is plainly an issue of technical feasibility under 47 C.F.R. § 51.5.

Finally, as to AT&T's claim that Ameritech can also use "AIN" technology to perform customized routing, Ameritech Illinois responds that the Commission already has addressed the issue of access to AIN triggers, finding that in light of network reliability concerns, the issue needs further investigation in an appropriate national forum.

Commission Conclusion

We find that Ameritech has established that all of its telecommunications services that are available at retail are also available for resale at wholesale rates to competing carriers. Ameritech makes available OS/DA with its resold services and with its unbundled local switching service. Ameritech Illinois also offers to unbundle OS/DA services from its unbundled local switching service. Further, it offers to unbundle OS/DA services from its resale offering and to rebrand such services where they are purchased by carriers in conjunction with other resold services to the extent technically feasible. Ameritech Ex. 2.0 at 46-47.

These wholesale/resale offerings comply with our Wholesale Order in Docket 95-0458/0531, with Sections 251(c)(4) and 252(d)(B), and, therefore, with the competitive checklist. In the Wholesale/Resale Order, comprehensively addressed the pricing requirement under Section 252(d)(3) and adopted a pricing methodology. MCI Arbitration Decision, Docket 96-AB-006, at 45; First Report and Order, ¶¶ 878-935. The FCC subsequently found that the Commission's methodology conformed with the Act. Thus, just as Ameritech has also complied with the mandate of the Wholesale/Resale Order, it has also complied with Section 252(d)(4) and the competitive checklist. Section 271(c)(2)(B)(xiv). Ameritech has filed tariffs in conformity with the Wholesale Order in ICC No. (for competitive services) and in ICC No. 20 (for noncompetitive services). Although Access has challenged the wholesale rates, we agree with Ameritech that Access has provided no legal basis for disputing the level of the discount. Access has presented no evidence that Ameritech Illinois has miscalculated the avoided costs of offering wholesale services, nor has Access proffered evidence to support its claim that competition will be inhibited by the discount levels we have prescribed. Thus, with respect to Access' complaint that Ameritech has refused to negotiate further discounts, there is no legal or factual basis for that claim. Ameritech also established that it currently is furnishing resold service at wholesale rates to MFS, pursuant to the parties' interconnection agreement, and that such services are available for purchase pursuant to the tariffs cited above. Thus, Ameritech has satisfied this element of the checklist.

AT&T's contention that Ameritech's retail/wholesale offering is inadequate because it does not offer service transport facilities ("STF") on a wholesale basis is rendered moot by Ameritech's revision to its retail tariff adding STF services on a wholesale basis. Ameritech also has resolved AT&T's complaint that Ameritech fails to provide resellers with adequate notice of new services, by agreeing to a 45-day advance notice provision with AT&T, and to make advance notice available to other resellers as well. Finally, Ameritech has answered AT&T's complaint that it would not provide selective routing in the ULS environment. As a result of AT&T's BFR requesting selective routing, Ameritech has determined that selective routing, when requested in the context of ULS, is technically feasible in existing Ameritech switches. Thus, Ameritech no longer will require ULS purchasers that request selective routing of OS/DA traffic to their own OS/DA

platform (or the platform of another provider) to submit a BFR; such selective routing will be offered on a standard tariff basis when such requests fall within the normal scope of requiring the use of no more than 25 line class codes. This should allay AT&T's fears that its major market entry strategy will be impeded by an inability to purchase network elements/ULS in conjunction with selective routing to AT&T's OS/DA platform. We agree with Ameritech, however, that the record establishes that 400 to 700 line class codes are required per carrier/per switch when a carrier wishes to resell Ameritech's services in conjunction with the selective routing of OS/DA traffic to a separate platform. Accordingly, Ameritech's position of responding to requests for selective routing in the resale context on a case-by-case basis is entirely reasonable. We also reject AT&T's claim that Ameritech presently can use "AIN" technology to perform customized routing. We already have addressed the issue and found that, in light of network reliability concerns, the issue needs further investigation in an appropriate national forum.

VI. MISCELLANEOUS ISSUES

A. Performance Monitoring and Reporting

Positions of the Parties

AT&T argues for the establishment of a detailed set of performance measurements that purportedly would serve to monitor Ameritech's checklist compliance. AT&T Ex. 3.0 at 8-13; AT&T Ex. 3.1 at 5-29, Attach. I-III; AT&T Brief at 40. In response, Ameritech asserts that this is not the proper proceeding for addressing these issues, and that these issues have already been addressed in the negotiations and arbitrations between Ameritech Illinois and AT&T. Ameritech observes that the Commission has previously addressed the issue of what performance monitoring reporting procedures should be included in Ameritech Illinois' interconnection agreements on at least two occasions. Ameritech Brief at 111-12; AT&T Arbitration Decision, at 11-14, 30-31, 37-38, 46-47; MCI Arbitration Decision, at 56-62. Ameritech Illinois also argues that even if this were an appropriate forum for addressing AT&T's proposals, those proposals should be rejected on the merits for the reasons expressed in the above arbitration decisions, and the reasons stated by Mr. Mickens in this proceeding. AI Brief at 112-13 (citing Tr. 1313-49).

Commission Conclusion

The Commission agrees with Ameritech that this is not the proper proceeding for resolving these issues. These issues already have been addressed in negotiations between the parties and in the AT&T and MCI arbitrations. Moreover, even assuming AT&T's proposals were properly raised in this proceeding, we find that they lack merit and should be rejected.

VII. FINDINGS AND CONCLUDING PARAGRAPHS

Based on the entire record in this proceeding and being fully advised in the premises, the Commission is of the opinion and finds that:

- 1) the Commission initiated this proceeding to investigate and gather information regarding Ameritech Illinois' compliance with the "competitive checklist"

requirements of Section 271(c) of the federal Telecommunications Act of 1996, in order to fulfill our consulting role with the FCC under Section 271(d)(2)(B) of the Act;

- 2) while our investigation is primarily factual in nature, the parties to this proceeding and Staff have raised a number of legal issues in this proceeding regarding the proper interpretation of Section 271(c); although these issues are ultimately within the FCC's domain, and not ours, we cannot avoid addressing certain of these legal issues even if our conclusions on these issues are not binding;
- 3) Ameritech has negotiated and executed, and we have approved, a binding interconnection agreement with CCT; CCT is not affiliated with Ameritech and is a competing provider of telephone exchange service to residential and business subscribers in Illinois; CCT offers such service either exclusively or predominantly over its own telephone exchange service facilities;
- 4) the Commission finds that the phrase "is providing", as used in Section 271(c)(1)(A) of the Act, should be interpreted to mean "actually furnishing" or "making available" pursuant to the standards set forth herein;
- 5) Applying this interpretation of the phrase "is providing" to the record facts, Ameritech, through its interconnection agreement with CCT, has not complied with the requirements for each of the "competitive checklist" items set forth in Section 271(c)(2)(B);
- 6) Based on the above findings and our interpretation of the phrase "is providing", Ameritech has not satisfied certain of the requirements of Sections 271(c)(1)(A) and 271(c)(2)(A);
- 7) that the findings of fact and conclusions of law set forth in the prefatory portion of this Order are hereby adopted as findings of fact and conclusions of law;
- 8) any outstanding motions are hereby disposed of in a manner consistent with this Order.

IT IS THEREFORE ORDERED that this Commission recommends to the FCC that Ameritech Illinois has not complied with the competitive checklist requirements of Section 271(c)(2)(B) of the Act.

IT IS FURTHER ORDERED that this Commission should recommend to the FCC that Ameritech Illinois has not met the requirements of Sections 271(c)(1) and 271(c)(2)(A) of the Act.

IT IS FURTHER ORDERED that this Commission may at any time hereafter reexamine the issues investigated herein.

ORDER DATED:
BRIEFS ON EXCEPTIONS DUE:
REPLY BRIEFS ON EXCEPTIONS DUE:

March 6, 1997
March 14, 1997
March 21, 1997

EXHIBIT B

**BellSouth's Statement of Generally Available
Terms and Conditions Under Section 252(f)
of the Telecommunications Act of 1996
Docket No. 7253-U.**

MEMORANDUM

TO: All Commissioners
Deborah Flannagan, Executive Director
Terri M. Lyndall, Executive Secretary

FROM: Dennis R. Sewell; Nancy Gibson and Tiane Sommer, Special Assistant Attorneys General; Commission Advisory Staff for Docket No. 7253-U

DATE: March 20, 1997

RE: Docket No. 7253-U, BellSouth's Statement of Generally Available Terms and Conditions Under Section 252 (f) of the Telecommunications Act of 1996

BellSouth filed its Statement of Generally Available Terms and Conditions ("SGAT") on January 22, 1997. This triggered a 60-day review process under Section 252(f) of the Act. The Commission may approve or reject the Statement. In addition, Section 252(f) provides that the Statement will become effective if the Commission takes no action on or before March 23, 1997.¹

The Staff is making this recommendation solely under the standards of Sections 251 and 252(d) of the Act, and is not making any reference to Section 271 or to BellSouth's expected application to the FCC for in-region interLATA services. Therefore, this decision is not about the "competitive checklist" under Section 271, and is not about Track A or Track B. What is before the Commission in this docket is solely a decision on the Statement under Section 252.

The Staff recommends that the Commission find that the Statement does not comply with Sections 251 and 252(d), and therefore reject the Statement. The major reasons for the Staff recommendations are as follows:

- The Statement is not necessary to facilitate the entry of competitive local exchange carriers ("CLECs") into Georgia's local exchange markets.
- The Statement's pricing for interconnection, unbundled network elements, interim number portability, and reciprocal compensation represents interim rates subject to true-up. The permanent, cost-based prices for most of these items will be established by the Commission in Docket No. 7061-U. Such interim rates subject to true-up are not cost-based under Section 252(d), and as a matter of policy, if not law, should not be sanctioned in a Statement which results in retroactive ratemaking.
- The Statement's rates for dark fiber and for access to poles, ducts, conduits, and rights-of-way are also interim rates subject to true-up, and were not taken from the arbitration rulings

¹ The Act does permit the Commission to review a Statement of Generally Available Terms and Conditions even if it is allowed to become effective, following the initial 60-day review period. Section 252(f)(4).

so there is even less basis to find that such rates meet the cost-based requirements of the Act. Further, one of the unbundled items is directly contrary to a ruling by the Commission in the AT&T arbitration, Docket No. 6801-U: the recurring (monthly) charge for end office switching of \$0.0016 should include all features and functions of the switch, rather than impose additional prices for features and functions as the SGAT proposes.

- For unbundled access to network elements and for resale, BellSouth has not yet demonstrated that it is able to provide access to operational support systems ("OSS") on a nondiscriminatory basis that places CLECs at parity with BellSouth.
- The record shows that BellSouth is not yet able to fulfill important aspects of the Statement's provisions for interconnection and unbundled access to network elements on a nondiscriminatory basis that places CLECs at parity with BellSouth. The Staff is concerned that approval of the Statement under current conditions would be misleading, by stating that BellSouth "generally offers" items that are not actually available.
- The Statement does not meet the interconnection requirements of Section 251(c)(2), because BellSouth is not providing interconnection including collocation to carriers that is at least equal in quality to that provided to itself or to a subsidiary.
- BellSouth proposed that intervals and many other aspects of collocation be governed by its Negotiations Handbook. However, that handbook is not part of the SGAT, and it is subject to unilateral change. (Some other aspects of interconnection are to be governed by BellSouth manuals, which again are subject to unilateral change by BellSouth.) In addition, BellSouth is still developing its processes for physical collocation, so the Statement is incomplete as to those processes.
- BellSouth is not yet able to provide certain unbundled loops as requested by new CLECs, cannot yet provide an unbundled network interface device ("NID"), and has experienced significant problems in testing and providing and other unbundled elements that the Statement describes as available. Certain loops that are supposed to be unbundled, such as Asymmetric and High-level Digital Subscriber Line ("ADSL" and "HDSL"), likewise are not currently available. BellSouth has also not demonstrated that provision of resold services can proceed smoothly on a commercial basis. These problems show that resale and unbundled elements are not yet available on a nondiscriminatory basis as promised in the Statement, and required under Section 251.
- The Statement provides little information on how CLECs can actually order switching elements, on the time frames for ordering, or on billing and auditing. The SGAT refers to a document entitled "OLEC-to-BellSouth Ordering Guidelines (Facilities-based)" for information regarding ordering and delivery of unbundled switching. The latter document is not a part of the SGAT, but is a BellSouth document which could be revised unilaterally. In addition, the specifics are sketchy, which does not facilitate use by CLECs.

Hence the Staff recommends that the Commission find that the Statement does not comply with Sections 251 and 252(d), and therefore reject the Statement. The Staff also recommends that the Commission keep this docket open for any Commission review in the event that BellSouth submits a revised Statement.